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**Indiana Department
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News Release

Reprehensible Auto Insurer Fined \$200,000 by Indiana Department of Insurance

Universal Casualty Company temporarily ordered to cease doing business in Indiana

Indianapolis, IN, June 11, 2009: Indiana Insurance Commissioner Jim Atterholt signed an Order today which fined Universal Casualty Company (UCC), headquartered in Illinois, \$200,000 and temporarily prohibited them from writing new business in the State of Indiana until the company can demonstrate improved business practices.

The Indiana Department of Insurance (IDOI) ranked UCC number 1 on its auto consumer complaint index for the year 2008. IDOI received over 200 consumer complaints regarding UCC's unwillingness to pay claims properly and on time.

"This company has less than 1% of the auto insurance market share here in Indiana and yet they lead the consumer complaint index. This is both outrageous and unacceptable," said Jim Atterholt, Commissioner of the Indiana Department of Insurance. Atterholt continued, "This is the type of company that gives the entire insurance industry a bad name."

The IDOI began investigating UCC as early as 2004 and fined them \$35,500 in 2005 for similar problems. The company was given the opportunity to improve business practices at that time, but clearly the egregious behavior continued. The IDOI then launched a second investigation picking up where the last one left off due to further consumer complaints. Under the terms of the latest Order, UCC will be required to submit and implement a stringent Compliance Plan before being allowed to resume new business. Failure to timely submit the Compliance Plan to the IDOI will result in an additional \$100,000 fine. In addition, the Order requires UCC to revisit all consumer complaints received since 2005. The final determination of each consumer complaint will be subject to IDOI's approval. The company will then again be reexamined by the IDOI to ensure full compliance.

A typical UCC consumer complaint that the IDOI would receive would involve the consumer calling the insurance company numerous times never receiving a human response, the company not paying enough to properly fix the car, or refusing to pay for a rental. "This is the most inappropriate claims handling I have seen in my tenure at the IDOI," said Carol Mihalik, Chief Deputy Commissioner and Counsel of the Consumer Protection Unit of the IDOI. Mihalik continued, "This resolution stops the company from engaging in new business until they can demonstrate to the IDOI that they can manage both policyholder communications and claims dispositions." The Order signed by Commissioner Atterholt today requires UCC to pay \$200,000 to the IDOI which will then be deposited into the State of Indiana's General Fund within 90 days from the date of the Order.

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